

## **BAF3M: Chapter 1 and 2 Test Review**

### **Format:**

-True or False (with correction of the false statements), Multiple Choice, Fill-in-the-Blanks, Large Problem.

### **Things to know:**

#### Page 2-11

- 5 main accounting activities (role of the accountant)
- Types of businesses (merchandise, not-for-profit, etc.)
- Forms of Business ownership (Sole proprietorship, corporation, etc.)
  - Features of each business
- What auditing is

#### Page 18-19

- Fundamental Accounting Formula (OE=A-L)

#### Page 21-27

- What is liquidity and how to order items on a balance sheet (assets and liabilities)
- Know how to format and complete a balance sheet
- Know how to calculate changes in assets and liabilities and how the impact owner's equity overall

#### Page 33-35

- Know the various accounting standards/principles, specifically: Business Entity Concept, The Cost Principle, The Continuing Concern Principle, and the Revaluation Model

This test will be on **Monday February 13<sup>th</sup>, 2017** **unless I indicate otherwise.**